

# TETRA BIO-PHARMA INC. (the “Corporation”)

## MANDATE OF THE BOARD OF DIRECTORS

### 1 INTRODUCTION

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The board of directors (the “**Board**”) of Tetra Bio-Pharma Inc. (“**Tetra**”) is elected by the shareholders of Tetra and is responsible for the stewardship of Tetra. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

### 2 CHAIRMAN OF THE BOARD

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The Chairman of the Board (“**Chairman**”) will be appointed by the Board, after considering the recommendation of the Compensation, Nominating and Governance Committee Charter, for such term as the Board may determine.

### 3 INDEPENDENCE

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The Board will be comprised of at least a majority of independent directors. A director of the Board shall be considered independent if he or she would be considered independent for the purposes of *National Instrument 52-110 – Audit Committees*.

Where the Chairman is not independent, the independent directors will select one of their number to be appointed lead director of the Board for such term as the independent directors may determine. If Tetra has a non-executive, independent Chairman, then the role of the lead director will be filled by the non-executive Chairman. The lead director or non-executive Chairman will chair regular meetings of the independent directors and assume other responsibilities that the independent directors as a whole have designated.

### 4 ROLE AND RESPONSIBILITIES OF THE BOARD

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The role of the Board is to represent the shareholders of Tetra, enhance and maximize shareholder value and conduct the business and affairs of Tetra ethically and in accordance with the highest standards of corporate governance. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of Tetra. The responsibilities of the Board include:

- adopting a strategic planning process;
- risk identification and ensuring that procedures are in place for the management of those risks;
- review and approve annual operating plans and budgets;
- corporate social responsibility, ethics and integrity;
- succession planning, including the appointment, training and supervision of management;
- delegations and general approval guidelines for management;

- monitoring financial reporting and management;
- monitoring internal control and management information systems;
- corporate disclosure and communications;
- forming special committees and engaging specialized professional advisors, in each case as required;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that Tetra, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity.

Meetings of the Board will be held at least quarterly, with additional meetings to be held depending on the state of Tetra's affairs and in light of opportunities or risks which Tetra faces. In addition, separate, regularly scheduled meetings of the independent directors of the Board may be held at which members of management are not present.

The members of the Board shall elect a secretary of the Committee who will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Members so decide, the Committee may appoint another person who may, but need not, be a Member to act as the secretary of that meeting.

Minutes of meetings of the Board must accurately reflect the significant discussions and the decisions of the Board. Minutes of Committee meetings shall be recorded and maintained by the secretary of the meeting, and subsequently presented to the Board for approval.

The Board will delegate responsibility for the day-to-day management of Tetra's business and affairs to Tetra's senior officers and will supervise such senior officers appropriately. This delegation of authority is subject to specified financial limits set out in Tetra's Delegation of Authority Policy.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee and the Compensation, Nominating and Governance Committee. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all delegated responsibilities.

## **5 STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT**

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The Board will adopt a strategic planning process to establish objectives and goals for Tetra's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of Tetra's business and affairs.

The Board, in conjunction with management, will identify the principal risks of Tetra's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

## **6 CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY**

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The Board will provide leadership to Tetra in support of its commitment to Corporate Social Responsibility, set the ethical tone for Tetra and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

## **7 SUCCESSION PLANNING, APPOINTMENT AND SUPERVISION OF MANAGEMENT**

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The Board will approve the succession plan for Tetra, including the selection, appointment, supervision and evaluation of the Chief Executive Officer and the other senior officers of Tetra, and will also approve the compensation of the Chief Executive Officer and the other senior officers of Tetra.

## **8 DELEGATIONS AND APPROVAL AUTHORITIES**

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The Board will delegate to the Chief Executive Officer and senior management authority over the day-to-day management of the business and affairs of Tetra. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

## **9 MONITORING OF FINANCIAL REPORTING AND MANAGEMENT**

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The Board will approve all regulatory filings, including the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management proxy circulars, annual information forms, prospectuses, and all capital investments as deemed necessary, equity financings, borrowings and all annual operating plans and budgets.

The Board will adopt procedures that seek to: ensure the integrity of internal controls and management information systems; ensure compliance with all applicable laws, rules and regulations; and prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, violation of Tetra's code of business conduct and ethics and fraud against shareholders.

## **10 CORPORATE DISCLOSURE AND COMMUNICATIONS**

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The Board will seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which Tetra's securities are listed. In addition, the Board will adopt procedures that seek to ensure the Board receives feedback from security holders on material issues.

## **11 CORPORATE POLICIES**

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The Board will adopt and periodically review policies and procedures designed to ensure that Tetra, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct Tetra's business ethically and with honesty and integrity.

## **12 REVIEW OF MANDATE**

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The Board may review and recommend changes to the Board Mandate from time to time and the Compensation, Nominating and Governance Committee may periodically review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration.



The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability on the part of Tetra or its directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

Dated: January 15, 2019

Approved by: Board of Directors on January 15, 2019